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Clift, B and McDaniel, S (2019) Capitalist Convergence? European (dis?)Integration and the Post-crash Restructuring of French and European Capitalisms. New Political Economy. ISSN 1356-3467

Publisher: Taylor & Francis

DOI: https://doi.org/10.1080/13563467.2019.1680963

Capitalist convergence? European (dis?)integration and the post-crash restructuring of French and European capitalisms

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Abstract

This article critiques and builds upon first-wave (Höpner and Schäfer 2010) and second-wave (Johnston and Regan 2018) European Integration and comparative capitalisms literatures which posit convergence towards a single model of capitalism or growth. It utilises the case study of France to explore the impact of European integration and disintegration on national models of capitalism in the post-crisis era. The article focuses on the impact of integrative and disintegrative dynamics on France's 'state-industry-finance nexus', putting forward three core claims. First, French capitalism is not accurately captured by the above frameworks and remains better characterised by the concept of post-*dirigisme*. Indeed, comparative capitalisms debates must move beyond a simple bifurcation of capitalist types. Second, European integrative pressures must be viewed as fragmented, differentiating, mediated by domestic state actors and productive of capitalist variegation and hybridisation. Countering functionalist tendencies within this literature, it shows how different conceptions of state-market relations crucially mediate the relationship between national capitalisms and European integration. Finally, in the context of Brexit, the dynamics of European *dis*integration – an issue not discussed so far in these debates – is contributing to a variegated and multi-directional process of capitalist restructuring in post-crisis France.

Keywords: Comparative capitalisms; Growth models; European Integration; European Union; France; Brexit; finance; industrial policy

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Introduction

A full decade after the global financial crisis (GFC) began, despite a brief upturn in 2017, many economies in Europe are still experiencing slow economic growth. As a result of austerity measures and the European Union's (EU) push for structural reform, Europe's economies have undergone adjustment and reorganisation, ironically often entrenching features of the failed pre-crisis regimes (see Johnston and Regan 2018; Grant and Wilson (eds) 2012; Green et al. (eds) 2015; Lavery 2018). In addition to these decade-long reforms, the UK's decision to leave the EU will likely disrupt established trade and regulatory regimes. This new dynamic of European *disintegration* could produce further political economic upheaval and 'repoliticise' and/or reshape domestic growth models (see Rosamond 2018; 2016; Vollaard 2014; Zielonka 2014; Jones 2018). This article utilises the case study of France to explore the impact of European integration and disintegration on comparative capitalisms in the post-crisis era.

The first-wave (Höpner and Schäfer 2010) and second-wave (Johnston and Regan 2018) literatures exploring the relationship between European integration and comparative models of European capitalism are ill-equipped to explain Europe's post-crisis capitalist restructuring in France and elsewhere for four principal reasons. First, the existing literatures point to two opposite and contradictory conclusions regarding the model of capitalism EU integrative dynamics promote: one suggests a liberal market economy (Höpner and Schäfer 2010), whilst the other points towards particular export-led growth models associated with coordinated market economies (Johnston and Regan 2018). Second, these accounts are underpinned by pre-existing frameworks – varieties of capitalism (VoC) (Hall and Soskice 2001) and the 'growth models' (GM) perspective (Baccaro and Pontusson 2016) – which both promote a parsimonious bifurcated vision of European capitalisms. These overlook the ongoing variegation and hybridisation within European models of capitalism and, in particular, cannot capture the continuing specificities of the French post-*dirigiste* political economy (see Clift 2007, 2016; Howell 2009; Levy 2008; Schmidt 2002). These first two limitations lead to a third: existing frameworks overstate and frame in too narrow terms the impact of European integration on national capitalisms, viewing its impact as straightforward convergence on a single model of capitalism. It is more accurate, we suggest, to view this process as fragmented, differentiating, mediated by domestic state actors and productive of capitalist variegation and hybridisation. Finally, underpinned by a teleological assumption of ever-increasing integration, these frameworks are unable to account for the potentially significant implications of European *dis*integration.

This article critiques and engages existing frameworks by making three core claims. First, the European political economy is more diverse than a simple bifurcation of capitalist types – a long-standing critique of the VoC literature (Amable 2003; Crouch 2005; Hay 2004), advanced with particular verve by scholars of France (see Schmidt 2002) yet which bears re-iterating in light of the new growth models perspective reproducing the binary optic. Second, European integrative pressures must be viewed as multifaceted, sometimes pulling in different directions, and often mediated by domestic state actors. We draw upon 'constructivist institutionalism' (CI) (Hay 2008; 2017) in order to understand the impact of, and explore the relationship between, institutional and ideational factors. We contend that it is important to account for ideational factors, notably the *conception* of state-market relations, and their impact on capitalist restructuring, as well as the *form* of capitalism/growth being promoted through integrative pressures. For instance, in the area of industrial strategy, the EU promotes a particular ordoliberal conception of state-market relations, which contrasts with more *dirigiste* approaches pursued by French state actors. We thus utilise this CI approach to counter functionalist tendencies in the existing first and second wave literature by demonstrating how ideational factors crucially mediate the relationship between national capitalisms and European integration, drawing particular attention to the concept of post-*dirigisme* (see Clift 2012; Schmidt 2002). Finally, amidst Brexit, the French state is actively responding to the dynamics of European *dis*integration to augur a partial shift towards a more liberal model of capitalism in the area of finance. Pressures of European disintegration, like those of integration, contribute to a variegated and multi-directional process of capitalist restructuring in post-crisis France. This has, we suggest, significant implications for future research in the field of comparative capitalisms.

This article moves beyond the firm-focused ontology of traditional VoC literature, with its empirical 'manufacturing bias' (Blyth 2003: 222), and which neglects the role of the state. Instead, we focus on the 'state-industry-finance nexus', exploring the links between the French state, aspirations for industrial renewal and processes of financial re-regulation. We draw upon in-depth analysis of primary documentary material (e.g. government and parliamentary speeches and reports, manufacturing and finance industry organisation reports, media accounts, think tank analysis), and information from over 30 elite interviews with French government advisors, parliamentarians and financial actors carried out during two separate research phases in 2016-17 and 2018. The selection of this primary documentary and interview material is designed to enable us to explore the interface of EU (dis)-integrative dynamics and national capitalist restructuring since 2012, under the administrations of François Hollande and Emmanuel Macron (though see Clift 2012; Schmidt 2012 for more on the Sarkozy period). In particular, we explore state financing for industrial renewal, as well as the so-called 'state shareholder strategy' programme, and the French state's regulatory and taxation reforms in relation to financial capital, both pre- and post- the Brexit vote. We trace institutional developments over the course of the post-crash period in these areas, developing a better understanding the way in which key political actors in France have made sense of and engaged with the economic environment and thus what impact this has had on the nature of French capitalism during the period analysed. We thus analyse attempts by French state actors to implement domestic policy or to shape European-level policy in the areas of industrial strategy and financial capitalism, and ultimately what this tells us about the contemporary nature of France's model of capitalism.

The article first critiques the existing literature and explores the contribution of the concept of post-*dirigisme*, before setting out our empirical analysis of the 'state-industry-finance nexus'. A final section considers the implications for comparative capitalisms work and research on the impact of European integration and disintegration within Europe's political economies.

EU Integration and its implications for capitalist diversity

First wave: the triumph of the liberal market economy

A first wave of the literature exploring the implications of European integration for capitalist diversity found that European integration favours evolution towards the Anglo-Saxon or liberal market economy model (Höpner and Schäfer 2007; 2010). Höpner and Schäfer's analytical framework is premised upon earlier *Varieties of Capitalism* (VoC) scholarship, which identifies two prevailing ideal-types of capitalism, the liberal (LME) and the co-ordinated market economy (CME) (Hall and Soskice 2001: 1-70). EU integration in this reading targets the CME 'production regime' and is 'transforming national institutions and bringing them in line with the Anglo-Saxon model of capitalism' and eroding capitalist diversity (Höpner and Schäfer 2010: 344, 351; 2007: 6). This dynamic generates political tension or what Callaghan and Höpner (2005) call a 'clash of capitalisms', crystallising into 'contending conceptions of the internal market' and 'contending conceptions of capitalism in

Europe'. The resultant ideological struggle pits 'the neoliberal project' against 'regulated capitalism' and Europe as an 'organized [economic] space' (Hooghe and Marks 1999: 74-9, 82-91; Wincott 2003: 292-4; Rosamond 2002). One flashpoint was around takeover regulation (see Callaghan and Höpner 2005, Clift 2009a), others include regulations applying to labour markets, traveling workers, and companies.

Fioretos (2012: 303) finds that this clash of capitalisms has been a structural feature of the European political economy for decades. Höpner and Schäfer (2010: 350-1), however, identify a qualitative shift wherein European integration has only recently begun to destabilise national varieties of capitalism. They posit a new, 'post-Ricardian' phase of European integration 'in which the Commission's and the European Court of Justice's (ECJ's) attempts to promote economic integration systematically challenge the institutions of organised capitalism', thereby 'leaving the Ricardian logic of diversity and comparative advantages behind' in favour of LME convergence (Höpner and Schäfer 2010: 344, 350-1).

In Höpner and Schäfer's account, the EU sees the institutions of organised capitalism 'as barriers to full economic union' (Höpner and Schäfer 2010: 351). Their analysis carefully specifies the actors and mechanisms inducing the shift. The Commission, EU Directives and the ECJ through its rulings, and particular readings of 'non-discrimination', 'mutual recognition', have been 'engines of liberalisation', delivering what Höpner and Schäfer term a 'radicalised interpretation of the 'four freedoms' (of goods, capital, services and labour)' (2010: 349). The EC, and doctrines of 'direct effect' and ECJ 'supremacy' are key mechanisms changing Europe's capitalisms. Höpner and Schäfer assume ongoing integration drivers which will press ever forwards and interpret an unambiguous LME direction of travel for European capitalist convergence.

Second-wave: the dominance of German export-led growth

In a recent special issue in *New Political Economy*, Johnston and Regan (2018) set out an ambitious new framework for understanding capitalist diversity within the EU. Rather than VoC, their framework draws upon Baccaro and Pontusson's (2016) 'growth models' (GM) perspective in conceptualising the EU 'as a union of two different growth models': an export-led growth model, typical of Germany, and a consumption-led model (either wage or credit fuelled), as in the UK. Their account contends that in the post-crisis environment, the liberalising trajectory of European integration punishes economies 'traditionally reliant on wage or credit growth to generate aggregate demand' and rather promotes a manufacturing and/or high-tech export growth model (Johnston and Regan 2018: 154).

Johnston and Regan list seven mechanisms which they suggest are 'explicitly designed to promote economic "convergence"' on the ordoliberal export-led model of growth: monetary integration via the creation of the European Monetary System (EMS) and euro; financial market integration; downward wage pressure enhanced by the free movement of labour; austerity policies institutionalised through fiscal rules; the promotion of a particular conception of export growth and high-tech skills development; the mandating of structural supply-side reform; and, directives and regulations on tax and competition laws (Johnston and Regan 2018: 148). They note a wider array of actors who serve to implement and uphold this convergence process, including the European Commission (EC), the European Central Bank (ECB), the ECJ and European regulators (Johnston and Regan 2018: 148).

These mechanisms and actors underpin the EU's 'technocratic attempt to promote a single (export-driven) and rules-based economic growth model among its diverse member-states, to be achieved through austerity induced cost competitiveness' (Johnston and Regan 2018: 155). This has become particularly clear in the post-crisis period, wherein Germany and the EU's Northern states have 'pushed the austerity agenda, which revolves around generating external and fiscal surpluses' at the expense of struggling demand-led economies in the European South (Johnston and Regan 2018: 155).

The limitations of existing EU integration 'convergence' theses

We agree that the 'clash of capitalisms' is refracted through the institutions of EU economic governance. However, these literatures suffer from four conceptual limitations regarding the efficacy and coherence of EU integrative pressures on national capitalisms. First, these two literatures report strikingly contradictory conclusions. Whilst the first wave literature finds that the EU has actively promoted the 'Anglo-Saxon model of capitalism' (Höpner and Schäfer 2010), the second wave contends that this model is *punished* by the EU, which instead promotes a German-style export-led growth model (Johnston and Regan 2018).

This discrepancy results from their distinct analytical frameworks and empirical timeframes. Whilst Höpner and Schäfer construct their investigation around the VoC framework, which focuses on supply-side comparative advantage, Johnston and Regan use the GM perspective, which studies components of aggregate demand. As a result, Johnston and Regan admit a much more encompassing range of European integration elements, from financial integration to macroeconomic rules. Höpner and Schäfer focus exclusively on key aspects of the EU's liberalising supply-side agenda, including mechanisms such as the EU's Services Directive, corporate governance and company law. Second, Johnston and Regan's framework is premised upon the post-2008 conjuncture, and attendant EU economic governance reforms, which explains the relative dominance of Germany. Höpner and Schäfer's work, by contrast was developed before Europe's turn to austerity was fully felt. That looking at different components of capitalist models at slightly different times leads to *opposite* conclusions raises serious questions about frameworks which posit that any single model of capitalism is being induced by EU integrative pressures.

Secondly, these two literatures reproduce prior limitations contained within the VoC and GM frameworks that underpin them. As Johnston and Regan (2018: 147-8) highlight themselves, the parsimonious bifurcation of national ‘varieties of capitalism’ within early VoC literature (Hall and Soskice 2001) has attracted a range of criticisms from scholars, including for overstating internal national capitalist homogeneity, and for its neglect of Eastern and Central European economies and the ‘rather awkward’ labelling of ‘mixed market economies’ (MMEs) in Southern Europe (e.g. Crouch 2005). In particular, as we explore further below, scholars note how France has either been side-lined within comparative capitalisms scholarship or somewhat clumsily classified as an MME (see Schmidt 2016; Clift 2012; 2016). More recently, VoC scholars have recognised the limitations of a model of change ‘built up around a one-dimensional continuum that runs from coordinated to liberal’ (Thelen 2014: 4).

Schmidt (2016: 607) somewhat optimistically notes that ‘scholars seem to have come to agreement that capitalism is substantively more diverse than the varieties of capitalism dualism’. Yet, recent scholarship focused on ‘growth models’ regresses to repeat this fallacy (Baccaro and Pontusson 2016; Hope and Soskice 2016; Hall 2018). Johnston and Regan’s own framework, however, uncritically accepts the GM perspective which sees the EU ‘as a union of *two* different growth models’ (Johnston and Regan 2018: 150, emphasis added). The GM literature does not address the conceptual limitations of prior comparative capitalisms scholarship. Rather, it sidesteps critiques to offer its own parsimonious, bifurcating perspective. The upshot is that Johnston and Regan’s framework can similarly tell us little about how European integration dynamics might shape a case such as France, which does not closely resemble either GM or VoC ideal-types.

Consequently, the combined significance of these shortcomings leads us to a third limitation: these frameworks overstate and frame in too narrow terms the impact of European integration on national capitalisms. The process of European integration is multifaceted and produces a varied range integrative pressures, such that the above theses likely overstate the power and influence of the EU's convergence-inducing force. There is considerable scope for non-conformity with EU-induced norms of capitalist organisation. Schmidt, for example, has identified the French model's various departures from Single European Market (SEM) norms (1996, 1997). European integration initiatives present opportunities for increased variegation to policy actors in their import and mediation by institutions, governments, and national politics (Callaghan and Höpner 2005; Clift 2009a).

This potential for increased differentiation within national capitalisms despite EU integration dynamics is increasingly salient amidst emergent *dis*integration dynamics. Thus, a fourth limitation of the above scholarship is its inability to understand or explain the implications of a new dynamic of European *dis*integration, particularly following the Brexit decision (see Webber 2014; Vollaard 2014; Zielonka 2014; Rosamond 2016, 2018; Jones 2018). These developments challenge a teleological assumption of ever-increasing or stable integration within Europe contained within both frameworks (see Rosamond 2016: 865), wherein disintegration is either not considered or referred to fleetingly (Johnston and Regan 2018: 146). Yet, as early empirical accounts indicate, Brexit is reshaping Europe's competitive and regulatory dynamics, auguring financial market fragmentation (see Lavery et al. 2018; 2019; Quaglia and Howarth 2018). Drawing upon the nascent 'disintegration' scholarship can deepen understanding of the varied European dynamics reshaping French capitalism.

Post-*dirigisme* and the state-industry-finance nexus

Unlike VoC and GM's simple, bifurcating frameworks for understanding European capitalist restructuring, the concept of post-*dirigisme* foregrounds the possibility of 'alternative types of capitalism distinguished by the extent and character of state intervention in the economy' (Jackson and Deeg 2008: 699, see also Schmidt 2002, 2003, 2009), and demonstrates the need for variety within comparative capitalisms typologies which extends beyond two. The narrow-ness of existing comparative capitalism and EU integration frames emerges from their under-developed account of the state's role in sustaining an economic regime. The VoC framework, in particular, fails to offer a compelling conception of state-market interactions and relations (see Levy 2006: 22-24). All this is unfortunate given the centrality of the interrelationship between state and market to capitalist development and diversity (Campbell 2010: 94-8; Krippner 2011; Davis 2009: chapter 6; Dobbin 1994; Campbell and Lindberg 1990; Fligstein 1996). In order to better account for this, we employ a 'constructivist institutionalist' (CI) framework, which views institutions as 'built upon ideational foundations which exert an independent path dependent effect on their subsequent development' (Hay 2008: 65; 2017). CI helps us to identify how distinctive national traditions of political economy and particular understandings of state/market relations both underpin and are reinforced by institutions, which in turn shape the behaviour of state actors (see Hay 2008: 63-4). To this end, CI recognises the conceptual contribution of post-*dirigisme* in underscoring how ideational factors inform differentiated, variegated capitalist restructuring in ways not readily captured by the existing VoC and GM frameworks.

In order to define post-*dirigisme*, we need to both specify the motivations and understandings of state/market relations underpinning it and spell out the key transformations of the political economic context in which it arises. Post-*dirigisme* underscores how the 21st Century French state retains an ambition to shape how French capitalism and corporate governance evolves, akin to its post-War *tutelle* over firms (Shonfield 1969: 71-2; 128-50). This despite the partial retreat from the post-war *dirigiste* model and France's shift towards liberalisation, deregulation, and privatisation (Hall 1986; Levy 1999; Schmidt 1997). In the 1980s, French capitalist restructuring remained somewhat insulated from international competitive pressures by vestiges of *dirigisme*'s 'protected capitalism' (Schmidt 1996) logic. This was progressively eroded, in part by the process of European Single Market construction, and the dominant political economic model underpinning it. Following François Mitterrand's 1983 U-turn away from expansionary Keynesianism and *dirigiste* nationalisation of key industries, Mitterrand saw remaining part of the EMS as a means to 'import' German-influenced ordo-liberal conceptions of sound macroeconomic policy (Cameron 1996; Clift 2009b: 161; see also Hall 1994: 173-8). The revitalised European integration project drove liberalising re-regulation of European capital markets which prioritised shareholder value and transformed the context of corporate capitalism. The construction of the SEM was built upon markedly non-*dirigiste* foundations, drawing heavily on ordo-liberal anti-trust ideas which sought to undermine traditional *dirigiste* industrial policy tools, including state aid and industrial subsidies, protected sectors, and preferential public procurement (Clift 2009b: 162; see Ladrech 2000).

The 'post' in post-*dirigisme* denotes a context in which French state orchestrated and facilitated transformations integral to French capitalism's evolution as the process of European construction advanced. These resulted in considerably diminished *dirigiste* leverage. Firstly, large-scale privatisations reduced the state's displacement within the economy, altering its relation to the private sector yet counter-intuitively increasing inter-penetration of public and private elites (Schmidt 1996). Secondly, overriding decades of French state antipathy towards foreign ownership, the internationalisation of French capitalism proceeded apace through large French firms' transnational mergers and acquisitions and joint-ventures. Thirdly, the reliance on equity finance by French firms increased, and the scale of French equity in foreign hands became a distinctive feature of French capitalism. Fourthly, capital markets, and in particular corporate bond markets were reinvigorated and profoundly reformed, reducing French firms' financial reliance on first the state, and then the banks. The constraints and opportunities of the SEM and France's altered articulation with the global political economy are the crux of post-*dirigisme* (see also Cole 2008; Levy 1999; Clift 2012; Massoc & Jabko 2012), which illustrates Howell's 'paradox of French state intervention'; 'the French state has used its powers to undermine *dirigisme* and reduce state capacity' (Howell 2009: 231, 249-53).

For example, the arsenal of economic and financial policy tools used in the post-War *dirigiste* phase of the French model of capitalism had enabled the state and Trésor to act as banker and investor orchestrating national economic development, directing economic activity through strategic channelling of investment (Lemoine 2016: 45-59). The restructuring of the French financial system, and the French state's place within it, saw the dismantling of administrative decrees, conduits and mechanisms such as the 'Treasury circuit' (Lemoine 2016: 48) through which French public debt was formerly channelled. Public debt issuance and management was shifted to a financial market basis, reducing the state's autonomy and discretion, and changing the relations between the state, its financing, and financial markets profoundly (Lemoine 2016: 17-27). These shifts, Lemoine notes, were important precursors to how the 'problem' of French public debt was conceptualised amidst the Eurozone crisis and the politics of austerity.

Post-*dirigisme* recognises that these transformations entail a significant diminution in French state capacity and leverage to shape French capitalism (see e.g. Clift 2016; Howell 2009; Levy 2008; Schmidt 2002; 2003; 2012). By comparison to the closely related concept of neo-*dirigisme* (Ansaloni & Smith 2018: 154), which contends that the *dirigiste* state 'lives on' in key areas of the French economy, post-*dirigisme* identifies more of a break with the past in terms the dynamics and modalities of French interventionism. Key state-orchestrated transformations of the French capitalist landscape, such as financial liberalisation, bond market development and internationalisation, have diminished French firms' reliance on the state and eroded its role as a gatekeeper for flows of capital.

The reduced viability and purchase of many old industrial policy tools means the logic of post-*dirigisme* involves the search for new modes of influence – both formal and informal – over economic development. French interventionism's character is more 'permissive', helping large firms to help themselves, rather than earlier 'directive' French industrial policy (Hall 2006). Sarkozy's banking bailout demonstrated the oligarchic elitist and networked character of French post-*dirigiste* capitalism, and the prevailing comfort with 'free', 'competitive' markets dominated by a few 'national champions' wielding significant market power. The small number of key players involved in shaping the plan shared close personal ties, forged at France's *'grandes écoles'*, and the French state imposed no sanctions and few conditions during the bailout (Clift 2012; Jabko & Massoc 2012). This inter-penetration of public and private is a characteristic feature of French post-*dirigiste* capitalism (Cohen 1996).

Consistent with CI, a post-*dirigiste* account foregrounds the distinctive ideational context through which pressures for capitalist restructuring are refracted (see e.g. Woll 2008: 8). This attention to *how* French corporate and state actors respond to changing economic conditions contrasts with VoC's tendency to 'emphasize rational, strategic behavior within a set of fixed institutions' (Jackson and Deeg 2008: 688, see also Hay 2005: 111-112). Rather than there being a single, universal notion of economic rationality, this more ideationally attuned account differentiates between diverse national traditions of economic thought, shaped by state traditions, institutions and decades of lived economic practice. Different conceptions of the market inform distinctive practices of market-making, and kinds of market operations. Unlike VoC-inspired interpretations, post-*dirigisme* places significant analytical focus on the state and the ongoing market-making inclinations of French state elites, who serve a crucial role as actors in and enactors of markets (Clift 2012: 566-9). It emphasises how particular conceptions of the market inform distinctive practices of market-making, and kinds of market operations. Institutionally, this approach has become embedded within French capitalism through, for instance, an elite education and civil servant training system (the *grandes écoles* and in particular the *École Nationale d'Administration*, or ENA), which supplies the French state with a relatively homogenous set of technocratic experts trained in the *étatiste* and *dirigiste* policymaking traditions (see Clift 2016: 15). Expectations of French market shaping interventionism are thus shared by French policy elites and many citizens, embedded within France's 'financial network economy' (Morin 1998), a social context characterised by enduring interpenetrating public and private elitist networks (Dudouet and Grémont 2010).

To illustrate the role of different understandings of state/market relations, we can contrast French post-*dirigisme* with German ordo-liberalism. Compared with post-war *dirigisme*, the French post-*dirigiste* state operates with the grain of the market, albeit a French conception of market, comfortable with permissive interventionism and selective liberalisation seeking to bolster international champions (Clift 2012). By contrast, ordo-liberalism views the state as impartial guarantor of a constitutionally instituted competitive market order (through e.g. competition and anti-trust policy). In this vision firms, not the state, are motors of growth. The EC embodies and polices an ordo-liberal anti-trust and competition policy stance. The dissonance between this, and the partiality of the French State's post-*dirigiste* conception of the market is revealed in the friction between French authorities and the EC surrounding the bail-out during late 2008 (EC 2008: 13). Viewed in this light, we can see further limitations to the VoC/GM literatures with their bifurcating, functionalist frameworks. *How* states matter for capitalist development differs according to distinctive national traditions of political economy and particular understandings of state/market relations.

At the European level, post-*dirigisme* highlights opportunities as well as constraints, and the ongoing instincts of the French state to shape European market-making. These dynamics are reflected in the 'battle of the systems' logic identified within notionally technocratic regulatory committees overseeing the European financial space (Story and Walter 1997; Quaglia 2007; 2010). National policy elites seek to mould European financial regulation in ways aligned with their own domestic financial system, and in the interests of their national financial services champions. French policy-makers have also sought to carve out new market-shaping opportunities *within* EU integration – seeking to regulate the European financial space in ways advantageous for French financial services (Jabko 2006; Gabor 2016). Post-*dirigisme* thus plays out both within and in response to EU integration, as the French state seeks to 'reconcile the creation of a common economic space and the preservation of national discretion in areas valued highly by governments' (Fioretos 2012: 303).

The instinct to retain national discretion inherent within *dirigisme* underlines limitations to how powerful a change-inducing force EU integration is within national capitalisms. The legacies of *dirigisme*, and the inter-penetration of public and private elitist networks of France's 'financial network economy' (Morin 2000), mean that, within the construction of the SEM, processes of French liberalisation operate according to significantly different dynamics. For instance, rather than merely deregulate and privatise, successive governments since the 1980s have overseen the construction of large national champion banking groups, controlled by a *noyau dur* (hardcore) of shareholders selected by the state, with the direction of these banks being given to select members of the *grands corps*, state elites such as ex-ministry of financial officials (Howarth 2013: 386; Clift 2004). The scope for and degree of state influence over private economic activity has lessened, yet French state actors continue to be 'less focused on the level playing field prized by the British and Germans, more at ease with dominant market positions for their firms, and more open to state intervention to promote such market dominance' (Schmidt 2016: 623).

Another appeal of post-*dirigisme* as a framework over those outlined above is this greater ability to admit how EU integration pressures on capitalisms pull in different directions at the same time. This throws into relief how France's model can evolve to emulate different models of capitalism at the same time. In some instances, the French state tried to make European financial markets in ways that manoeuvred French financial service firms into prime place, as in the case of repo market construction (Jabko 2006; Genito 2018, 2019; Gabor 2016). In other areas, as with 'CMU 2.0' the French strategy is to advance the financial liberalisation process. The paradox of post-*dirigisme* explains how France anachronistically responds to pressures arising from EU integration (and disintegration) – being at once hostile to financial market liberalisation, whilst also trying to steal a march on EU partners going farther and faster in financial market liberalisation in certain directions to take up market share. France's liberalising evolution within the SEM in the realm of finance does not, for instance, necessarily mirror changes in the nature of its corporate governance arrangements. This raises the possibility that the EU's influence, rather than inducing coherence or singularity to European capitalisms, may in fact be reducing their coherence, and making them more fragmented.

Post-*dirigisme* thus emphasises how ideational factors inform differentiated, variegated capitalist restructuring in ways not readily captured by only two types. In order to conduct our analysis of French capitalism post-crisis, we focus on the 'state-industry-finance nexus'. This was a crucial characteristic of post-war *dirigisme*, central to elite efforts to shape the trajectory of France's economic development, with the French state pulling the levers of economic management, retaining a stake in key firms, and channelling capital through the institutional allocation of credit (Zysman 1983; Loriaux 1991). Post-*dirigisme* speaks of reduced financial resources (due in part to weakened French public finances and the strictures of Euro area economic governance) and reduced institutional mechanisms and leverage (following the expansion, liberalisation, deepening and internationalisation of French financial markets) to achieve similar aims (O'Sullivan 2007; Clift 2012; Howarth 2013). Nevertheless, the state retains an ongoing ambition to shape French capitalism through the 'state-industry-finance nexus'.

Crucially, therefore, aspects of our analysis are focused on attempts by French state actors to implement domestic policy or to shape European-level policy; we analyse policy developments in light of the broader model of capitalism in which they are embedded, and seek to understand the way in which French state actors have reacted to various material and institutional constraints in their attempts to protect French economic interests. The ultimate aims is to glean lessons about the contemporary nature of French capitalism. We analyse primary documentary material and information from over 30 elite interviews in order to build an empirical account of the contemporary relationships between the state, industry and finance focused on how French capitalism has been impacted by European integration and disintegration in the post-crisis era. In particular, we explore state financing for industrial renewal, as well as the so-called 'state shareholder strategy' programme, and the French state's regulatory and taxation reforms in relation to financial capital, both pre- and post-the Brexit vote.

State-industry nexus: *La nouvelle France industrielle* ?

In 2012, as the GFC and Eurozone crises drew on, the then-incoming Socialist administration announced its intention to reshape the French state's relationship with both industry and finance, and renegotiate significant aspects of EU economic architecture, responding to what Hollande *et al* saw as a crisis of Anglo-liberal financialised capitalism (see McDaniel 2017). Hollande submitted plans to revitalise French industry through reviving more *dirigiste* policy approaches at domestic and European levels. His administration advocated a reorientation of the EU architecture along more Keynesian lines, promising the renegotiation of the new Treaty on Stability, Coordination and Governance (Fiscal Compact), the creation of Eurobonds and a new European investment budget (2014-2020) (Hollande 2012a: 12-13). At the national level, a state-backed public investment bank (*banque publique d'investissement,* BPI) was launched, designed to boost targeted funding to small and medium size businesses and aid the transition towards green technology (Hollande 2012a: 7). Plans for an industrial investment programme, the second stage of the 'future investment programme' (*programme d'investissements d'avenir* or PIA2), were launched in July 2013. The September 2013 *La Nouvelle France Industrielle* programme involved a package of 34 plans designed to push France to the frontier of technological innovation.

Much of this proposed programme was not, however, successfully implemented, partly because weak public finances left these policies under-funded (see Levy 2017: 620-1). Furthermore, there is some evidence to support Johnston and Regan's (2018) contention that promotion of an export-led model of growth within EU integration constrains the French state in the area of industrial strategy. However, the French case also serves to complicate Johnston and Regan's (2018) interpretation, drawing attention to the importance of differing *conceptions* of state-market relations and not just the *form* of growth being promoted. In particular, by introducing this ideational element, we see how the EU's promotion of a particular ordoliberal vision of export-led growth clashes with the more activist and *dirigiste* industrial instincts of French state actors attempting to promote export-led growth.

The French state *has* sought to promote export-led growth. Yet, in line with post-*dirigisme*, it has done so in a manner infused with distinctly *dirigiste* notions of the state's role vis-à-vis markets, designed to promote 'French interests' in the area of industrial policy, not the EU's 'level playing field'. The BPI, for instance, was designed and vaunted by Hollande and other French officials as a necessary support mechanism for France's exports through a series of financial loans and guarantees (Hollande 2012b; Moscovici 2012a; 2012b). The *Nouvelle France Industrielle* programme, moreover, was promoted as reigniting a Colbertist flame at the heart of the French state (Franceinfo 2014). The French government spoke of the need to 'put the tools of the State at the service' of 'the construction of centres of excellence' capable of supporting exports concentrated in 'high value-added sectors' (Business France 2014: 5). Financial resources were channelled into high-skill, high-value firms and sectors, including on projects such as electric planes, driverless cars, robotics and cyber security (Gouvernement français 2014).

Amidst a continent-wide shift towards fiscal consolidation, Hollande's EU-level reforms sought to significantly strengthen France's fiscal capacity and enable a more ambitious industrial renewal programme. His proposed new European investment budget was designed to support the '*grands projets* of the future' and the creation of 'new financial tools in order to launch innovative industrial programmes, notably in the areas of green technology' (Hollande 2012a: 12-13). The French state's active support of *high-quality, high-value* export-oriented market actors was reminiscent of the 'national champions' strategy of *les trente glorieuses*, wherein companies were 'groomed to carry the colors of France on the battlefield of the new international economic order' (Hall 1986: 149). At domestic and European levels, then, the French state's industrial ambition envisaged an active, *dirigiste*, market-making role for both the nation state and the EU in the post-crisis period.

Despite the industrial policy revival within the French state's economic ambitions, however, EU integrative pressures promoted an altogether different conception of export-led growth. France's weakened influence vis-à-vis Germany, it quickly emerged, limited French aspirations for EU reform. Within weeks of Hollande's victory, the Fiscal Compact was signed unamended into French law. Financial pressures emanating from the parlous state of France's public finances alongside EU pressure to pursue fiscal consolidation saw the French state's industrial ambitions scaled down. As Levy (2017: 620) notes, for instance, the €12 billion for PIA2 represented significantly reduced investment when compared to the €35 billion pledged by Sarkozy in 2009 under the original PIA scheme. State funding for industry was never, therefore, going to facilitate a return of the *dirigiste* state. Furthermore, Hollande's 'European investment budget' plans were, as the French business daily *Les Echos* (2013) put it, 'massacred' by the finally agreed Budget, whilst the new European 'project bonds' –infrastructure project loans worth up to €1 billion drawn from the existing EU current budget - represented a heavily diluted form of France's proposed Eurobond scheme.

Following this failure to reform Europe, the French state signalled a shift in its industrial strategy towards enabling greater cost competitiveness for French firms. In the context of pressure from Germany, which had pushed France from the outset of Hollande's presidency to pursue labour market reform (Government advisor, personal interview, 10.05.16), a government commissioned report, *le rapport Gallois*, explicitly sought French convergence on the German model of capitalism through greater labour market flexibility and wage cost reductions. In turn, starting in 2013, the government offered up a €20 billion tax credit for businesses (*crédit d'impôt pour la compétitivité et l'emploi*, or CICE), which was followed by January 2014's *Pacte de Responsabilité*, an additional €30 billion tax cut designed to reduce the labour costs throughout the *quinquennat.* Rather than an industrial strategy *per se*, the state's new focus was on supply-side reform initiatives to promote education, research and 'innovation and business development' (see Commissariat Général à l'investissement 2016), resulting in a discernible shift in value-added from labour to capital (OFCE 2016: 2).

The attempt and ultimate failure to implement a more activist industrial strategy, as well as the shift towards a more supply-side oriented programme, highlights some of the limitations of the French state as an agent of transformation within French capitalism. Yet, it would be wrong to characterise French capitalist adjustment entirely in terms of ordoliberal convergence. The French state continued to actively promote 'French interests' through industrial policy, despite pressures emanating from EU integration, at times actively contravening EU anti-trust norms. Through the BPI and the 'state shareholder strategy' (SSS) programme, state actors exploited the political and economic space available to further French interests, in ways typical of post-*dirigisme.*

From 2012, the BPI channelled funding to French firms (Grandguillaume and Louwagie 2015; Cour des comptes 2016: 145), yet this placed the BPI in a tricky position vis-à-vis the ECB's supervision and EU rules on state aid. French authorities justified the BPI's role to the EC stating that it only intervenes to support struggling firms in 'exceptional cases' and otherwise operates in normal market conditions like any other private market actor (Cour des comptes 2016: 45, 64). European antitrust rules, moreover, prohibited the direct financing of certain pilot projects under the *Nouvelle France Industrielle* programme. Despite this, to circumvent EU anti-trust laws, the state set up a €425 million fund managed by the BPI enabling it to intervene as a prudent investor (La Fabrique de l'industrie 2015: 3; Usine digitale 2015). This was no return to levels of state involvement and investment of the *dirigiste* heyday. Nevertheless, the French state embraces a more *dirigiste* (mis)reading of EU antitrust rules to support its own national economic interests. This episode highlights long-standing selective adherence in France to SEM rules banning state-aid (see Schmidt 1997: 239; Schmidt 1996),[2] and illustrates the ongoing 'clash of capitalisms' at the heart of European economic governance, between a French *dirigiste* vision and EU level (German inspired) ordoliberalism.

Similar characteristics are found in corporate governance with the development of French 'double voting rights', and the SSS programme, which positions the French state as 'an equity investor in companies deemed as strategically important' and 'operating in critical areas for France's sovereignty' (Le ministère de l'Économie et des Finances 2014: 16; 2016: 20). Uproar surrounding closures at ArcelorMittal's Florange steel production site in 2012 led to the so-called Florange Act in March 2014. This established double voting rights for shareholders holding an equity stake for two years or more, rewarding patient capital. It primarily serves to strengthen the 'hardcore' of domestic investors, including the state itself, over foreign interests, such as ArcelorMittal. The French state utilised SSS tools to extend its influence over private capital despite limited fiscal means. For instance, the government's €800 million investment in Groupe PSA in April 2014 was designed to counter the growing

[2] This more liberal adaptation of EU rules by French state actors can also be seen in relation to European fiscal rules, where French authorities have rejected the EC's assessments on the Fiscal Compact in favour of its own (Clift and Ryner 2014: 153; Clift 2016: 527).

influence of Chinese firm Dongfeng Motors (see LCI 2016). In 2015, the government actively sought to increase its share in companies such as Renault and Air France-KLM in order to benefit from double voting rights in the company's governing bodies, as provided for under the Florange Act (Le ministère de l'Économie et des Finances 2016: 21).

Consistent with the concept of post-*dirigisme,* the financial resources and direct control of the post-War *dirigiste* state have clearly eroded; reports by the *Cour des comptes* (2016; 147; 2017: 50-1, 131-2) highlight the weak financial foundations of both the BPI and the SSS programme. The liberalising reforms of President Macron could, however, further undermine its relevance. Macron's Economy Minister, Bruno Le Maire, stated his desire to scale back the state's financial involvement in firms, including the SSS, and to retain large stakes only in those companies with key strategic relevance to the state (Jacqué 2017). In the summer of 2018, for instance, the government sold off state holdings were worth an estimated €15 billion in companies such as ADP (airports operator) and Engie (energy firm). Le Maire has suggested that the government's intention is to 'redefine the role of the state in the economy' and that the state 'is better able to defend the public interest through regulation rather than having a presence in capital' (cited in Lefebvre and Honoré 2018).

Macron's liberalising agenda could thus erode elements of the post-*dirigiste* model of industrial capitalism in France. That said, in the post-crisis period so far, the evidence available tells us that French state elites have by and large actively sought to extend their reach and influence vis-à-vis private capital, despite reduced government capacity. EU integrative dynamics have promoted a particular ordoliberal conception of export-led growth, but there has not been a clear convergence of European capitalist models in this case. Rather, we have seen the reinforcement of the post-*dirigiste* state at the heart of the French model of capitalism, evidenced in its 'market-making' conception of industrial activism to support selected French firms and sectors, and willingness to bend and alter institutional frameworks in order to extend its influence.

State-finance nexus: Regulating financial capital pre- and post-Brexit

Somewhat paradoxically, although French financial market liberalisation in the mid-1980s served to legitimise EU-level financial market integration (Jabko 2006: 71; Fioretos 2012), French state actors have remained hostile to more liberal approaches to economic and financial integration led by the UK (see Schmidt 2016: 606). Though reticent about it, Mitterrand viewed European capital liberalisation as the bitter medicine France required as the European Community's 'bad student' (Jabko 2006: 75). French elites have nonetheless consistently sought to uphold a tougher regulatory regime and support the wider goal of French economic power in Europe. France has always been part of an advocacy coalition within the EU with more critical instincts and beliefs about the nature of the market than countries such as the UK (Quaglia 2010). More recently France has expressed reservations about the EC's post-GFC Capital Markets Unions (CMU) project – an initiative supported by the UK (Quaglia et al. 2016: 198-99).

Initial French support for financial market integration in Europe was underpinned by French Treasury proposals in 2000 to create a Paris-based European super-regulator, which would have delivered significant benefits for Paris as a financial centre (Quaglia 2007: 282). Similarly, where France has led the way in financial market liberalisation, such as in the creation of a repo market, this has often been influenced by a desire to counterbalance German power, such as by designating France as the benchmark issuer of euro-denominated government debt (Gabor 2016: 976). Nevertheless, consistent with Höpner and Schäfer's account (2010), European financial market integration has pushed French financial liberalisation.

The GFC, however, was seen to discredit the more liberal approach to financial market integration which had dominated EU discourse in the 1990s and 2000s (see Quaglia 2010). In this context, as with industrial policy, the incoming Socialist administration in 2012 promised to redraw the relationship between the state and financial capital. It pledged to constrain the power of untamed financial capitalism, proposing to increase the tax rate on bank profits, prohibit some ‘toxic’ financial products (particularly ‘naked’ credit default swaps), fight tax fraud, proscribe French banks from operating in tax havens, and to separate the retail and investment arms of French banks (see Hollande 2012a: 10). French state actors in 2012 were also at the forefront of attempts to construct an EU-wide financial transaction tax (FTT).

Such proposals, if successfully implemented, could have marked a shift back towards a more interventionist French state and more muscular market-shaping re-regulation of financial capitalism. However, only modest incremental reforms resulted from these aspirations, with the French state’s capacity to reshape the state-finance nexus curtailed by powerful private financial institutions’ ability of to circumnavigate re-regulation in a changing regulatory landscape.[3] Highlighting how French capitalist restructuring pulls in different directions, the French state under Hollande and then Macron has increasingly come to embrace liberalised financial capitalism. This shift began with the installation of a new pro-business government under Prime Minister Valls in 2014, with Emmanuel Macron as Economy and Finance Ministry. The Socialist administration, for instance, became increasingly interested in measures designed to facilitate ‘participative finance’ such as crowdfunding and blockchain technology. In tandem, France’s financial market regulatory

[3] The FTT, for instance, whilst raising close to €1 billion each year in revenue does not tackle the ‘harmful’ financial practices it set out to (Migaud 2017). Furthermore, although on paper a law was passed to separate retail and investment banking activities, the law is narrowly defined and impacts only around 1 per cent of the banking activities of France’s two largest banks (see Pinson 2015).

body, the *Autorité des Marchés Financiers* (AMF), took unprecedented pro-finance steps during this period, including joining forces with the French Asset Management Association (*Association Française de la Gestion Financière,* AFG) in February 2016, in order to 'raise the profile and broaden the distribution' of French-domiciled funds abroad (AMF 2016).

This approach was given a shot in the arm following Britain's decision to leave the EU (see Lavery et al. 2018; 2019). The Brexit vote was seen by state actors as a significant opportunity to increase the prominence of finance within the wider French model of capitalism, and in doing so contribute to a new phase of economic growth after several sluggish years. President Hollande argued, for example, that France 'must adapt our rules, including tax rules, to make the financial centre of Paris more attractive' (cited in Les Echos 2016). The desire to make Paris, in the words of Prime Minister Valls, 'Europe's premiere financial centre' (cited in Chaperon 2016) resulted in an unprecedented '*joint mobilization* of all public authorities and the private sector', including both national and local government officials, lobby groups such as Paris EUROPLACE, private banks and other private finance firms (de Montgolfier 2017: 71). Furthermore, it served to alter the scope of the regulatory and taxation regime at the heart of French capitalism. As a report by the Sénat notes, the French state took 'concrete actions aimed at facilitating the relocation of [financial] actors' (de Montgolfier 2017: 72). The Valls government lowered corporation tax to 28 per cent and extended a tax benefit for those coming to work in France or ex-pats returning (the régime des impatriés) in order to attract finance workers. In September 2016, moreover, the AMF and the *Autorité de contrôle prudentiel et de résolution* (ACPR), jointly defined procedures to accelerate and simplify investments and takeovers of activities already carried out in France, including permitting applications to be made in English. Similarly, the AMF opened a dedicated 'welcoming' programme, 'Agility', to help fund management and FinTech firms register in France, permitting approval within a two-week period. Efforts centred around capturing what Lavery et al. (2018) term ‘low hanging fruit’, financial activities potentially searching for a new base within the EU, including FinTech and euro-denominated clearing.

This strategy intensified under President Emmanuel Macron. As a former investment banker, Macron led the charge to continue Paris’ aggressive lobbying campaign to attract financial activity leaving the City. The first Macron budget, implemented in January 2018, pruned back France’s tax regime further, making explicit reference to ‘increasing the economic attractiveness of France, particularly in the context of "Brexit"’ as a driving factor (Gouvernement français 2017: 12). Policies included further slashing corporate tax to 25 per cent by 2022, income tax reductions, a significant narrowing of France’s wealth tax, a new 30 per cent flat rate on capital gains, and the repeal of an extension to France’s FTT which saw it cover intraday trading for the first time just a year after it was enacted.

Prime Minister Édouard Philippe suggested improving France’s attractiveness was ‘a global approach that goes beyond the regulatory and fiscal framework’ (Premier Ministre 2018: 3). The financial sector is increasingly seen as the most effective means through which to finance companies and, by extension, promote economic growth; the government, for instance, boasts that the financial industry's contribution to GDP is ‘ten times higher than that of the automobile industry’ (Premier Ministre 2018: 19). Measures central to the Macron administration’s strategy, such as loosening financial regulatory standards and softening the taxation regime, are thus intended as part of a wider shift in the nature of France’s model of capitalism, carried out in the name of ‘economic attractiveness’. The state’s desire to open up the economy to financial capital has, moreover, necessitated some adjustments in relation to the EU. The Macron administration has, for instance, sought to eliminate what it calls the ‘over-transposition of European Union law’ on financial regulation and supervision (Premier Ministre 2018: 11). Given France’s traditional role in supporting tough regulatory standards within the EU, this is a telling development that highlights the French state's changing approach towards finance and the way in which it is actively mobilising to ensure that it does not 'lose out' to European neighbours in the context of Brexit.

The CMU project an interesting case in point in this regard. Whilst France was initially hesitant over post-GFC plans to push CMU development, post-Brexit the CMU project had lost its biggest advocate in the UK (Lavery 2017). Since Macron's election on a pro-EU ticket, French authorities have seen the CMU project in a more positive light. Rather than bolstering the UK's financial dominance in Europe, CMU could be harnessed to the familiar 'battle of systems' logic (Story and Walter 1997; Quaglia 2007; 2010), to support and enhance French power within the Eurozone. In particular, French authorities called to support CMU through empowering the Paris-based European Securities and Markets Authority (ESMA) (Ophèle 2018; see Mooney and Thompson 2017). Centralising financial supervision in Europe would protect against French fears of post-Brexit 'regulatory arbitrage', wherein other national financial regulators undermine EU supervisory standards in order to encourage investment (see Mooney and Thompson 2017). Moreover, as in 2000, the empowerment of this European super-regulator based in Paris can be seen as a strategic manoeuvre designed to both boost the influence of Paris as a European financial centre and situate French financial regulatory norms at the forefront of any future integrative project. Indeed, the French authorities have been quick to highlight the benefits of ESMA being located in Paris (Premier Ministre 2018: 17).

It should be noted that, despite liberalising government efforts, France has not yet experienced a significant shift towards a finance-led model of capitalism; OECD (2017) data shows financial services as a proportion of the French economy has remained stable since the 1970s. Yet France shows signs of a potential shift, *à la* Höpner and Schäfer and *contra*

Johnston and Regan, towards a more liberal market economy, in the area of financial capitalism at least. Importantly, however, this shift has not occurred as a result of European *integration*, but rather European *dis*integration. The post-*dirigiste* state is actively mobilising to enhance the position of financial capital within French capitalism, exploiting the political space opened up by Brexit. European disintegrative dynamics are thus critical to the story of French capitalist adjustment and ongoing financial markets liberalisation in France. Nonetheless, post-*dirigisme*, not a liberal financialised model, continues to most accurately capture the nature of French capitalism today.

Conclusion

European integration manifestly constrains and shapes national capitalisms (Fioretos 2012). Yet, the existing first-wave (Höpner and Schäfer 2010) and second-wave (Johnston and Regan 2018) frameworks for understanding this, we have argued, contain a number of conceptual limitations and cannot fully explain change within some of Europe's most important political economies. This article has sought to explore these limitations through the case of French capitalist restructuring pre- and post- the Brexit vote.

The concept of post-*dirigisme* speaks to a greater complexity and variety of capitalist restructuring dynamics than the simple bifurcation of liberal/coordinated or demand/export-led growth. Post-*dirigisme* underscores how the French state has continued to assert its influence in the area of industrial activism and has taken an active market-shaping role in seeking to profit from the political opportunity created by Brexit. Post-*dirigiste* analysis is in many ways a fellow traveller with the neo-*dirigiste* account (Ansaloni & Smith 2018), although it underlines reduced state leverage, and identifies fewer continuities from the *dirigiste* period. Post-*dirigisme* goes further in spelling out the altered domestic and international context of French economic interventionism, which entail qualitative changes to earlier *dirigiste* institutions and practices.

This article has offered a granular account of the ideational conditions of the restructuring and reproduction of national capitalisms through analysis of the impact of integrative and disintegrative dynamics in the areas of industrial strategy and financial capitalism in France. Future work could explore other critical areas of the French political economy not touched upon here. The above analysis has demonstrated the need to consider how different conceptions of the market underpin the ongoing 'clash of capitalisms' surrounding efforts to reshape and re-regulate Europe's financial space. That is, it highlights the distinction between a particular ordoliberal *conception* of state-market relations, promoted by the EU, and the more traditionally French *dirigiste* visions of the state. Focusing on this ideational level, and conceptions of the market, as here, facilitates placing the pursuit of particular economic policies in the context of wider models of capitalism.

Macron's presidency augurs the incorporation of some more liberal elements into French capitalism in the realms of taxation and labour market reform. Yet this is reconciled to familiar French ambitions develop and support high value export firms the market-making re-regulation at the national and European levels. Macron's aspirations to reform the European political economy present, in post-*dirigiste* fashion, distinctive opportunities for French international champions. This all suggests that contemporary transformations in European capitalisms can more helpfully be understood in terms of variegation and hybridisation, each of which can be pushed further by both EU integration and EU disintegration dynamics. This, rather than pigeon-holing political economies within the restrictive dualisms of either VoC or the GM perspective, offers more promising avenues for future comparative capitalisms research. This account thus highlights how existing frameworks have overstated and conceived in overly narrow terms the impact of EU integration on national capitalisms, and points to the blind-spot around the dynamics of European *dis*integration that must become central to future comparative study of national capitalisms in Europe.

Acknowledgements

Both authors would like to thank the NPE editor and two anonymous referees for thorough and constructive critical engagement with the manuscript which helped refine the argument and the article's central claims.

The authors would also like to thanks participants for valuable feedback at the PSA British and Comparative Political Economy Specialist Group Workshop at Jesus College, Cambridge, September 13th 2017; the BA-PSA 'Economic policy-making institutions at the state/market frontier' workshop at Warwick University on 18-19 March 2019; and the 25th International Conference of Europeanists, in Chicago.

Funding

Ben Clift gratefully acknowledges the support of the Leverhulme Trust Major Research Fellowship (MRF-2017-063) which facilitated the final phase of completion of this manuscript.

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